

EXHIBIT D

SERVICE LEVEL AGREEMENT

This Service Level Agreement (SLA) stipulates the monetary penalties that will be assessed by the State for Contractor noncompliance with the External Quality Review Organization (EQRO) Services Contract and related Task Orders. Should the State determine monetary penalty(ies) are applicable, as specified in Contract Section 6.2, AHCCCS will impose monetary penalties as stipulated in this SLA. AHCCCS reserves the right to amend this SLA annually.

1. Definitions

1.1. Calendar Year: January 1 – December 31

2. Monetary Penalties

2.1. For any monetary penalty imposed pursuant to this SLA, the following provisions shall apply:

2.1.1. Monetary penalty(ies) shall be imposed and accrue for incidents of noncompliance.

2.1.2. Whenever feasible, the State shall give the Contractor reasonable notice of the State's intention to impose monetary penalty(ies).

2.1.3. The State will consider external factors that may impact the Contractor's noncompliance, including the fault of the State.

2.1.4. Monetary penalty(ies) shall not apply to the extent that the parties agree in good faith that penalty(ies) should not be imposed.

2.1.5. The Contractor shall make payment of monetary penalty(ies) to the State by the due date required in the notice(s) of assessment.

2.1.6. The State may require a Corrective Action Plan (CAP) to be developed, approved by the State, and implemented within agreed upon timeframes, for any incident of noncompliance.

2.1.7. The Contractor shall list, document, and track all potential Operational Incidents specified in this SLA and demonstrate if the Contractor is compliant with Contract and Task Order requirements. The Contractor shall submit the *Operational Incidents Tracking* to AHCCCS as specified in Contract Exhibit C.

2.2. The monetary penalties specified in this SLA:

2.2.1. May be cumulative such that one or more penalties may be assessed and imposed under one or more individual section below for the same or different concurrent failure(s) within a Calendar Year.

2.2.2. Cumulative penalties are not to exceed the contract or task order invoice amount for the month in which the penalty occurs [*excluding CMS Issued Monetary Penalty(ies) for Noncompliance*]. Penalties may be incurred across consecutive months if corrective action is not taken to bring the service criteria or deliverable into acceptable performance.

3. Operational Incidents

3.1. CMS Issued Monetary Penalty(ies) for Noncompliance

If an incident occurs, where the Contractor failed to follow provisions identified in the Contract and/or related Task Order and AHCCCS is subsequently issued a monetary penalty by CMS, the Contractor shall bear the costs to the State associated with the incident. The State will assess monetary penalties equal to the amount assessed to the State by CMS.

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3.2. **Data and Data Sharing Noncompliance**

In the event that the Contractor does not comply with *Data and Data Sharing* requirements as specified in Contract Section 5.2 and/or Task Orders, the Contractor will be assessed monetary penalties up to \$5,000 for each incident. An incident may include but is not limited to: data validated and reported by the Contractor is not in alignment with CMS Protocols; Contractor refusal to share data with other entities; Contractor does not share data in a format or via a sharing mechanism required by AHCCCS; Contractor does not obtain or maintain the stipulated Data Sharing Agreements.

3.3. **Software and Systems Noncompliance**

In the event that the Contractor does not comply with software and systems requirements as specified in Contract Section 5.3 and/or Task Orders, the Contractor will be assessed monetary penalties up to \$5,000 for each incident. An incident may include but is not limited to: the Contractor not obtaining or maintaining a software license; a breach of the Contractor's system (e.g., privacy or security; or not maintaining the appropriate privacy and security compliance documentation and/or certifications). The State will assess monetary penalty under a *Software and Systems Noncompliance* incident irrespective of other recourse, or administrative action taken by the State for the same incident such as liquidated damages or termination of contract.

3.4. **Certifications Noncompliance**

In the event that the Contractor does not comply with Certification requirements, as specified in Contract and/or Task Orders, the Contractor will be assessed monetary penalties up to \$5,000 for each incident. An incident may include but it not limited to: the Contractor not obtaining or maintaining a certification such as NCQA HEDIS Compliance Audit Certification or NCQA CAHPS Survey Certification. The State will assess monetary penalty under a *Certifications Noncompliance* incident irrespective of other recourse or administrative action taken by the State for the same incident such as liquidated damages or termination of contract.

3.5. **Deliverable Noncompliance**

The State will assess monetary penalties for deliverables required in the Contract and/or Task Order(s) based on lateness, criticality, and completeness of the Deliverable. A Deliverable will be considered late when not received by 5:00 PM Arizona Time on the due date indicated in Contract or Task order. If the due date falls on a weekend or a State Holiday, monetary penalties will be assessed on deliverables not received by 5:00 PM Arizona Time on the next business day. Monetary penalty for each *Deliverable Noncompliance* incident will be assessed up to \$5,000 per incident of *Deliverable Noncompliance*.